

## **MINUTES**

### **MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON PUBLIC HEALTH, WELFARE AND SAFETY**

**Call to Order:** By **CHAIRMAN AL BISHOP**, on January 15, 2001 at 3 P.M., in Room 317-A Capitol.

#### **ROLL CALL**

**Members Present:**

Sen. Al Bishop, Chairman (R)  
Sen. Duane Grimes, Vice Chairman (R)  
Sen. Chris Christiaens (D)  
Sen. Bob DePratu (R)  
Sen. Eve Franklin (D)  
Sen. Don Hargrove (R)  
Sen. Dan Harrington (D)  
Sen. Royal Johnson (R)  
Sen. Jerry O'Neil (R)  
Sen. Emily Stonington (D)

**Members Excused:** Sen. Fred Thomas (R)

**Members Absent:** None.

**Staff Present:** Jeanne Forrester, Committee Secretary  
Susan Fox, Legislative Branch

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: SB 194, 1/10/2001; SB 34,  
1/8/2001; SB 88, 1/8/2001  
Executive Action:

#### **HEARING ON SB 194**

**Sponsor:** SEN. LINDA NELSON, SD 49, Medicine Lake

**Proponents:** Denzel Davis, Department of Public Health and  
Human Services (DPHHS)  
Kip Smith, Montana Hospital Association

**Jerry Loendorf, Montana Medical Association (MMA)**

**Opponents:** None.

**Opening Statement by Sponsor:**

**SEN. LINDA NELSON, SD 49, Medicine Lake,** introduced SB 194 at the request of the Montana Hospital Association. This bill would add definition for critical access hospitals in Montana statute. The federal critical access hospital status for small rural hospitals replaces the medical assistance status established by the legislature in 1987.

**Proponents' Testimony:**

**Kip Smith,** Montana Hospital Association, passed out amendments to SB 194 **EXHIBIT(phs11a01)**. The intent of this bill is very simple. The Medical Assistance Facility(MAF) was created by the legislature in 1987. In 1997 the federal government adopted their own rural hospital model known as the critical access hospital. This bill simply incorporates the critical access hospital definition into state law and mimics the federal criteria and allows the state to license the facilities as critical access hospitals. The technical change will have no effect on the delivery of health care services in the state.

**Jerry Loendorf, MMA,** said they also supported this bill.

**Denzel Davis, DPHHS,** stated that the department was in favor of the bill.

**Opponents' Testimony:** None

**Questions from Committee Members and Responses:**

**SEN. CHRISTIAENS** asked if are we required to license both facilities. **Mr. Smith** there will still be two definitions in the law - critical access hospital and medical assistance facilities. They are very similar, but there are some differences. Currently, when a facility becomes certified for Medicare, as a critical access hospital, there is no way to license this facility, because the definition does not exist in the law.

**SEN. CHRISTIAENS** asked if it is for Medicare purposes, than do medical assistance facilities get medical reimbursement. **Mr. Smith** said under federal legislation, they do not recognize medical assistance facilities, because they only have state

recognition. Critical access hospitals are recognized by both state and federal.

**Closing by Sponsor:**

**SEN. NELSON** closed and asked the committee to look favorably on this bill.

*{Tape : 1; Side : A; Approx. Time Counter : 0.2 - 5.2}*

**HEARING ON SB 34**

**Sponsor:** SEN. ROYAL JOHNSON, SD 5, Billings

**Proponents:** Gayle Carpenter, Montana Health Finance Authority  
Bob Murdo, Montana Health Finance Authority  
Jerry Hoover, Montana Health Finance Authority  
John Flink, Montana Hospital Association  
Gloria Hermanson, Surgery Centers  
Mark Simonich, Department of Commerce

**Opponents:** None

**Opening Statement by Sponsor:**

**SEN. ROYAL JOHNSON, SD 5, Billings,** introduced SB 34. This is an attempt to do two things for the Montana Health Facility Authority; they are one of the biggest loaners of money in the state. First, is to change the name of the Montana Health Facility Authority to the Montana Facility Finance Authority. The reason they want to change this because there are projects that don't always relate to a hospital. The second part of this bill is to have the executive director and the associate director become exempt employees.

**Proponents' Testimony:**

**Jerry Hoover, Director of the Montana Health Facility Authority,** gave out a handout giving a brief program description

**EXHIBIT (phs11a02).**

No public funds or tax monies are used by the authority. The legislature has allowed new facilities to be able to apply to the "authority" for loan money; and they are not always health facilities, such as pre-release centers.

**Gail Carpenter, Montana Health Facility Authority Board Member,** presented testimony on behalf of all the board members **EXHIBIT (phs11a03)**.

**John Flink, Montana Hospital Association (MHA),** said MHA has been a strong supporter of the Montana Health Care Authority. Historically, they have been a primary source of capital funding, particularly for the small rural healthcare facilities. This bill will provide a new aspect to making grants available to rural hospitals and critical access hospitals. The MHA encourages the committee to approve this bill.

**Mark Simonich, Department of Commerce,** is here today to support this bill and the provisions of changing the name. **Mr. Simonich** passed out amendments **EXHIBIT (phs11a04)**, which have to do with changing the classification of the employees. He has met with Governor Martz and they are concerned about what it does to the morale of state government employees when you start issuing exemptions for managerial positions. It does not seem fair to start to segregate out the employees; and we need to follow a fair and consistent program on how we pay our state employees.

*{Tape : 1; Side : A; Approx. Time Counter : 5.2 - 27.8}*

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**SEN. STONINGTON** asked how much latitude do you have when you talk about pay exceptions. Can you match market. **Mr. Simonich** says the ability to offer pay exceptions is somewhat limited, within the classification system. You have to hire someone within a certain range, regardless of their qualifications. You then have three levels minimum, market and maximum. You cannot go above the maximum level with having a reclassification.

**SEN. CHRISTIAENS** asked if they were aware of any other quasi-judicial organizations having the same exempt status for their employees. **SEN. JOHNSON** said the Board of Investments has five or seven positions and the state fund has many more than that.

**SEN. CHRISTIAENS** wondered how much money would be available for new projects. **SEN. JOHNSON** said there was a \$150 million cap for last year and in the bill it would go to \$187 million this year.

**SEN. CHRISTIAENS** would like to have the funding explained a little more. **Mr. Hoover** said all of their bonds are called qualified private activity bonds, because they are issued on behalf of nonprofit corporations. Any bonds issued to nonprofit

corporations are not subject to the bond allocation cap. The present cap is \$240 million in current statute.

**SEN. BISHOP** asked **SEN. JOHNSON** if he was aware of the proposed amendments that had been distributed today and had **SEN. JOHNSON** seen those amendments before today. **SEN. JOHNSON** said he was aware of them for but he had not seen them. **SEN. BISHOP** asked **SEN. JOHNSON** if it would have helped if he had seen those amendments before today. **SEN. JOHNSON** said it would not have made a difference, because he knew they were coming.

**SEN. BISHOP** made a statement saying one of his pet peeves is having an agency come in and surprise the sponsor with amendments. He feels that when an agency does this it is inexcusable.

**Closing by Sponsor:**

**SEN. JOHNSON** closed by stating that the pay plan in the state of Montana is really very interesting - there are many categories. He also thought, we should look at creating a bond committee with some legislative input, to decide how many bonds would be issued and for what purposes.

**SEN. JOHNSON** wanted to thank the board for all their input. This is a really outstanding board and they have done a wonderful job with the issuance of these bonds. He told the committee to do with the bill what you want, if it goes through with the amendments, all it does is change the name.

*{Tape : 1; Side : B; Approx. Time Counter : 0.1 - 11.9}*

**HEARING ON SB 88**

**Sponsor:** **SEN. MIGNON WATERMAN, SD 26, Helena.**

**Proponents:** Gary Toavs, Foster Kids  
Marcus Kelsey, Foster Kids  
Ann Gilkey, Court Assessment  
Al Davis, Mental Health Association  
Twila Costigan, Montana State Foster Adoption Assn  
Bonnie Adee, Mental Health Ombudsman  
Colleen Murphy, Montana Chapter of the National  
Association of Social Workers

**Opponents:** None

**Opening Statement by Sponsor:**

**SEN. MIGNON WATERMAN, SD 26, Helena** introduced SB 88, which extends Medicaid coverage for children who are leaving foster care, and who are between the ages of 18 to 21 years of age. Many of these children are in the process of applying for SSI and SSDI, which can take up to two years to be accepted. We currently pay 100% of these kids health care, and Medicaid would provide 72% and pay for the vast majority of these costs if we make the change to include kids aged 18 - 21.

**Proponents' Testimony:**

**Gary Toavs**, Kalispell, said he and his wife have been foster parents for nine years and have been foster parents for Marcus Kelsey for seven years. He is now 19 and graduated from high school. When he graduated from high school, his health benefits were terminated. It would be helpful for him to have medical insurance; since he is a college student and is not eligible to be added to any family insurance plan. He urged the committee to give positive consideration for this bill.

***{Tape : 1; Side : B; Approx. Time Counter : 11.9 - 24}***

**Marcus Kelsey**, a foster child testified on his own behalf and said he graduated from high school with honors and now attends college. He has to pay \$60.00 for a monthly prescription that had been covered by Medicaid and that creates a hardship because he is a college student.

**Ann Gilkey, Court Assessment Program**, said these kids need this coverage and urged the committee to support this bill.

**Al Davis, Mental Health Association**, the MHA supports this legislation. He said the ages of 18 to 21 can be a difficult time, especially when kids don't have people helping them make the transition.

**Colleen Murphy, Executive Director of MT-NASW**, strongly urged you to support this bill. These are high risk children who need to be supported to make a successful transition into a healthy adulthood, and many may have had a difficult childhood. Adolescents and young adults are more likely to be uninsured or under insured than any other age group.

**Bonnie Adee, MH Ombudsman**, is in support of this bill. This bill will put a safety net under a specific "at risk" population, if you don't have the need for medical insurance you do not use it.

**Opponents' Testimony:** None

**Questions from Committee Members and Responses:**

**SEN. JOHNSON** asked if the \$400,000 is the budget. **SEN. WATERMAN** said she did not believe it was in the budget.

**SEN. STONINGTON** asked the difference between foster care and substitute care. **Ms. Fox** explained if you are no longer in the foster care system, you cannot be in foster care. You need to have been in substitute care which is out of home placement, such as foster care, a group home, etc., in order to be eligible to qualify for receiving Medicaid under this bill.

**SEN. STONINGTON** asked if you can be in foster care if you are older than 18. **Chuck Hunter, Administrator of Child and Family Services Division**, said with extenuating circumstances a child can be allowed to stay in foster care after they are 18 years of age. There is now a change in the federal level that allows us to use federal money to support these children through Medicaid.

**SEN. STONINGTON** asked how SSI fits in. **SEN. WATERMAN** said SSI is a disability insurance that is a long term support system that is covered by Social Security. SSDI is for children with long term disabilities.

**SEN. CHRISTIAENS** believes it can be a long process to apply and become eligible for SSI, taking up to 2 years to receive it.

**SEN. STONINGTON** said this bill will broaden the category of who will be able to receive Medicaid. **Ms. Fox** said that able bodied adults without children cannot get Medicaid.

**Closing by Sponsor:**

**SEN. WATERMAN** closed by saying this bill covers a complex area, and this will cover a very specific category of children who are in this age group. If these kids don't get ill, it doesn't cost you anything. If they become ill, this would allow us to access those federal dollars. She urged support.

***{Tape : 2; Side : A; Approx. Time Counter: 0.2 - 13.4}***

**Other Business:**

**SEN. BISHOP** discussed with the committee proxy voting. The proxy vote must be reflected in the minutes. Do we want to leave the vote open for 24 hours? If we use written proxies we would not have to leave the vote open. The Committee agreed if we don't have a written proxy we should leave it to the discretion of the chair.

**Sen. Johnson** moved to adopt S30-70 **EXHIBIT (phs11a05)**, to allow absentee voting to be accomplished by leaving a written proxy with another Senator and if they have not left a written proxy it will be left to the discretion of the chair. The motion was unanimous.

***{Tape : 2; Side : A; Approx. Time Counter : 13.5 - 17.9}***



**ADJOURNMENT**

Adjournment: 4:22 P.M.

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SEN. AL BISHOP, Chairman

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JEANNE FORRESTER, Secretary

AB/JF

**EXHIBIT** (phs11aad)